

State of South Dakota

SEVENTY-THIRD SESSION
LEGISLATIVE ASSEMBLY, 1998

128B0636

SENATE BILL NO. 170

Introduced by: Senators Reedy, Brosz, Dunn (Rebecca), Flowers, Ham, Kloucek, Lange, Lawler, Staggers, and Vitter and Representatives Chicoine, Collier, Fischer-Clemens, Hagen, Haley, Koskan, Pederson (Gordon), Schaunaman, Sokolow, Solum, Van Gerpen, Volesky, and Weber

1 FOR AN ACT ENTITLED, An Act to implement the program for advanced payment of
2 university tuition costs.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 13-55E-1 be amended to read as follows:

5 13-55E-1. Terms used in this chapter mean:

- 6 (1) "Advance payment contract," a contract entered into by the executive director and a
7 purchaser pursuant to this chapter to provide for the higher education of a beneficiary;
- 8 (2) "Beneficiary," the person designated within the advance payment contract to receive
9 tuition, ~~room and board, or tuition only~~ at a state-supported institution of higher
10 education;
- 11 (3) "Executive director," the executive director of the Board of Regents;
- 12 (4) "Institution of higher education," any state-supported university;
- 13 (5) "Purchaser," any person obligated to make an advance payment of ~~tuition, room and~~
14 ~~board, or tuition only~~ costs on behalf of a beneficiary pursuant to an advance payment

contract;

~~(6) "Room and board costs," the amount assessed for lodging and regularly scheduled meals provided to students pursuant to a contract for room and board with an institution of higher education;~~

(7) "Tuition costs," the amount assessed for full-time enrollment at an institution of higher education including mandatory fees imposed upon all full-time students as a condition of enrollment.

Section 2. That § 13-55E-2 be amended to read as follows:

13-55E-2. ~~In~~ The Board of Regents shall implement a program whereby the executive director, in accordance with rules promulgated pursuant to chapter 1-26, ~~the executive director~~ may enter into a contract with a purchaser for the advance payment of tuition, ~~room and board,~~ ~~or tuition only~~ costs on behalf of a beneficiary for attendance at one, or a combination of institutions of higher education, without further tuition, ~~room and board,~~ ~~or tuition only~~ costs to the beneficiary, subject to determination of residency status by the appropriate institution of higher education. Except as provided in § 13-55E-3, benefits provided under contract shall begin not less than seventeen years from the beginning date of the first fall academic semester following the date of payment.

Section 3. That § 13-55E-4 be amended to read as follows:

13-55E-4. The advance payment contract shall specify one of the payment options specified under this section to be required from the purchaser on behalf of the beneficiary. The one-time advance payment shall be made in cash or cash equivalents at the time the contract is signed. The executive director shall annually determine the amount of the one-time advance payment for each of the following payment options:

(1) Not to exceed four academic semesters of resident tuition, ~~room and board~~ at any state-supported university; or

1 (2) Not to exceed four academic semesters of nonresident tuition, ~~room and board~~ at any
2 state-supported university;

3 ~~(3) Not to exceed four academic semesters of resident tuition at any state-supported~~
4 ~~university; or~~

5 ~~(4) Not to exceed four academic semesters of nonresident tuition at any state-supported~~
6 ~~university.~~

7 Section 4. That § 13-55E-10 be amended to read as follows:

8 13-55E-10. The executive director shall establish a schedule for payment to institutions of
9 higher education of the tuition, ~~room and board, or tuition only~~ costs on behalf of beneficiaries.
10 Payment under this section may not begin until the beneficiary applies to and is accepted by the
11 institution of higher education. Upon completion or termination of an advance payment contract,
12 the remaining balance of principal and investment earnings accruing to the contract shall be
13 credited to the account established under § 13-55E-8.

14 Section 5. That § 13-55E-13 be amended to read as follows:

15 13-55E-13. The executive director and the state treasurer shall promulgate jointly, pursuant
16 to chapter 1-26, Rules ~~rules~~ necessary to administer this chapter ~~shall be promulgated jointly by~~
17 ~~the executive director and the state treasurer pursuant to chapter 1-26.~~ Rules adopted pursuant
18 to this section shall include policies and procedures governing the:

- 19 (1) Receipt of payments from purchasers on behalf of beneficiaries;
- 20 (2) Accounting and reporting to purchasers of payments deposited and invested in
21 accordance with this chapter;
- 22 (3) Period of time during which the beneficiary may receive benefits under the contract;
- 23 (4) Terms and conditions under which contracts may be terminated or modified, refunds
24 may be granted and direct payment of benefits may be made pursuant to § 13-55E-11;
- 25 (5) Provisions of contract benefits at institutions of higher education;

- 1 (6) Payment to institutions of higher education on behalf of beneficiaries;
- 2 (7) Imposition of fees to cover costs incurred for the administration of this chapter not
- 3 to exceed the limitation imposed under § 13-55E-9; and
- 4 (8) Other terms, conditions, and provisions determined necessary for advanced payment
- 5 contracts and benefits provided under contracts.